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November 21, 2006

Mr. Charles L.A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Received: 11/22/06
Dept: SP
Date: 11-22-06
Time: _____

SO. CAROLINA
PUBLIC SERVICE
COMMISSION

2006 NOV 22 AM 11:16

RECORDED

Re: Application of South Carolina Electric and Gas Company for Authorization to Renew Its Revolving Credit Facility and to Enter into a Guaranty Agreement to Support a Proposed Revolving Credit Facility for South Carolina Fuel Company, Incorporated

Docket No. 2006-359-E

Dear Mr. Terreni:

The South Carolina Office of Regulatory Staff ("ORS") Finance Committee has reviewed the above application. The application seeks to renew an existing five-year credit facility of \$400,000,000 to support commercial paper operations, to finance the construction of electric plants and gas facilities, to meet working capital needs, and to support general corporate purposes. The guaranty agreement for the South Carolina Fuel Company ("SCFC") would have substantially the same terms as the renewed facility, but would back the facility with collateral and raises its current limit from \$125,000,000 to \$250,000,000. The SCFC credit facility would support commercial paper operations and fuel purchases. It could be amended to allow extensions of the facility and substitution of participating lenders. The maturity date for both facilities would be five years from the closing date, placing maturity in December of 2011.

Based on its review, ORS has no objection to the renewal of the credit facilities or to the creation of the guaranty agreement.

Sincerely,

John W. Flitter
John W. Flitter

cc: Catherine D. Taylor

JWF/dhc